

MICHIGAN'S MAJOR TAXES: REVENUE ESTIMATES, TAX RATES, AND YIELDS FOR FY 2005-06 & FY 2006-07								
(dollars in millions)								
Tax	Revenue Estimates (a)		Current Tax Rate	Examples of Revenue Impact Due To Change in Rate (g)			History of Tax Rate Changes:	
	FY 2005-06 Net Revenue	FY 2006-07 Net Revenue		Rate Change	FY '06 Rev Change Eff. 1/1/06	FY '07 Rev Change Eff. 1/1/06		
Individual Income Tax: Gross Collections Refunds Net Income Tax	\$7,933.7 (1,679.0) \$6,254.7	\$8,143.9 (1,758.0) \$6,385.9	3.9%	0.1%	\$125.2	\$172.0	1967: 2.6% 1975: 4.6% 1982: 4.6% 10/1 1984: 5.35% 9/1 1994: 4.4% 5/1 2002: 4.1% 2004:3.9% 7/1	1971: 3.9% 1982: 5.6% 4/1 1983: 6.35% 1986: 4.6% 2000: 4.2% 2003: 4.0%
Sales Tax (b)	\$6,709.6	\$6,958.7	6.0%	1% of: (b) first 4% of 6% last 2% of 6%	\$856.1 804.0	\$1,182.5 1,114.3	1933: 3.0% 1994: 6.0% 5/1	1960: 4.0%
Use Tax	\$1,411.6	\$1,467.6	6.0%	1.0%	\$176.5	\$244.6	1937: 3.0% 1994: 6.0% 5/1	1960: 4.0%
Single Business Tax	\$1,852.9	\$1,885.9	1.9%	0.1%	\$76.9	\$103.9	1975: 2.35% 1999: 2.2% 2001: 2.0%	1994: 2.3% 10/1 2000: 2.1% 2002: 1.9%
Tobacco Tax Cigarettes Other Tobacco Products	\$1,179.5 \$1,137.2 \$42.3	\$1,158.9 \$1,114.5 \$44.4	\$2.00/pack 32% whole-sale price	\$0.10/pack 2.0%	\$42.2 \$2.0	\$55.2 \$2.8	1947: 3 cents/pk 1961: 5 cents/pk 1970: 11 cents/pk 1987: 25 cents/pk 2002: \$1.25/pk 8/1	1959: 4 cents/pk 1962: 7 cents/pk 1982: 21 cents/pk 1993: 75 cents/pk 2004: \$2/pk 7/1
Liquor Tax (c)	\$34.0	\$34.5	4.0%	1.0%	\$6.3	\$8.6	1959: Liquor excise tax established - 4.0% 1962: Liquor specific tax established - 4.0% 1972: Liquor specific tax established - 1.85% 1985: Liquor specific tax established - 4.0%	
Beer Tax (d)	\$43.8	\$43.8	\$6.30/barrel (d)	\$1/barrel (d)	\$5.2	\$6.9	1933: \$1.25/barrel 1962: \$6.61/barrel	1959: \$2.50/barrel 1966: \$6.30/barrel
Wine Tax (e)	\$8.2	\$8.2	(e)	\$0.01/liter	\$0.5	\$0.6	1937: \$0.50/gallon 1981: w/ 16% alcohol 13.5 cents/liter 1981: w/ >16% alcohol 20 cents/liter 1989: mixed-spirit drinks 48 cents/liter	
Casino Gaming Tax	\$152.4	\$155.5	12.1%	1.0%	\$9.4	\$12.9	1999: 8.1% of adjusted gross receipts 2004: 12.1% of adjusted gross receipts 9/1	
Real Estate Transfer Tax	\$320.0	\$311.0	0.75% (f)	0.25%	\$53.3	\$103.7	Rate has not changed.	
State Education Property Tax	\$2,010.0	\$2,116.0	6 mills	1 mill	\$335.0	\$352.7	1994: 6 mills 2003: 5 mills (one-year reduction only) 2004: 6 mills	
Gasoline Tax (h)	\$927.7	\$938.8	\$0.19/gal.	\$0.01/gal.	\$36.6	\$49.4	1983: 13 cents/gal. 1984: 15 cents/gal. 1997: 19 cents/gal.	

(a) Consensus Revenue Estimates, May 17, 2006.

(b) The first 4 percentage points of the 6% sales tax rate are assessed on the entire sales tax base (including residential utilities), whereas the last 2 percentage points of the 6% sales tax rate are not assessed on residential utilities.

(c) There are four taxes on liquor: three have rates of 4.0% and they are earmarked to the General Fund, School Aid Fund, and the Convention Facility Fund, and one is assessed at 1.85% and is earmarked to the Liquor Purchase Revolving Fund.

(d) The beer tax of \$6.30/barrel is equivalent to 1.9 cents per 12 ounce can of beer. Increasing the rate by \$1/barrel would increase the tax/can to 2.2 cents.

(e) Tax on wine is as follows: Wine containing 16% or less of alcohol: 13.5 cents/liter; and wine containing more than 16% alcohol: 20 cents/liter.

(f) The real estate transfer tax is assessed when real property changes ownership and it is assessed on the transaction price.

(g) Senate Fiscal Agency estimates.

(h) Treasury Department estimate (January 2006).